

QUOTE OF THE WEEK

"Discourage litigation. Persuade your neighbors to compromise whenever you can. As a peacemaker the lawyer has superior opportunity of being a good man. There will still be business enough." --- Abraham Lincoln, 16th President (1809-1865)

UNDER THE DOME

Institutional Irony

Another irony of capitol life hit me this week. The California Journal, a long time monitor of the capitol from the left of center, is profiling all of the departing legislators. This month's edition has a protest letter from a supporter of Senator John Vasconcellos who says the Journal erred in calling the liberal Senator "crabby and impatient." The letter writer asked why the Journal did not mention Vasconcellos's "integrity, honesty, and empathy." The same day I read the Capitol Citizen, a newsletter written by long time advocate Art Croney. Croney's organization is dedicated to speaking out on issues of importance to the "morally and socially conservative citizenry." He is in the Capitol this week to oppose one of Vasconcellos's bills. Compare his critique of the Senator to the Journal's: "He is one of those unchanging characters never giving up fighting for what he believes in." In choosing these words, Croney was describing both himself and the Senator. I find it ironic that the opposition is the one who shows the most respect for the opponent. I always voted more along Art Croney's point of view, but I share his respect for Senator Vasconcellos. I have the utmost respect for the heartfelt beliefs of both Croney and Vasconcellos, and I call both friends.

Changing of the Guard

Today, Senator Jim Brulte will step down as the Senate Republican Leader and a great era of California politics will end. In addition to being a close friend, Jim is a great leader. He brought to the legislature a rare combination of skills that have enabled him to be effective for his constituents, his party and the state. Most legislators are good at one or two things: policy, politics, fundraising, relationship building, strategic thinking, etc. Jim is good at all of them, and two aspects of his personality, in particular, made him successful. First, he approached a problem by thinking ahead about what each of the key participants needed from the situation, and then he set about to craft a solution that met those needs. Second, Jim never cared who received credit for any particular negotiations, project, bill or idea.

Though Jim will be missed, the new Senate Republican Leader, Dick Ackerman, will do just fine. He will benefit from the low expectations that come from his filling the BIG shoes of Brulte. Senator Ackerman will far exceed those expectations. He is a business

lawyer (this is not an oxymoron) who approaches challenges in a methodical and thoughtful way, gathering intelligence from all around him. He is very personable and enjoys the social contact with all of the Capitol's interest groups-- probably quickly exceeding Brulte's attendance at Capitol events. Most of the legislative Republicans have been elected within the last six years and know only a Democrat Governor. Ackerman will reach back to his working relationship with Pete Wilson and will help teach both caucuses the best ways to work with Governor Schwarzenegger.

In addition to your prayers of support for the new leader, I ask you to remember his wife, Linda Ackerman. She has a sharp political mind and perceptive intuition. Dick Ackerman needs her. She enjoys being with the Senator, but also enjoys her grandchildren. With her husband's new scheduling commitments all over California, not just in their Orange County base, she is going to stretch to make choices she may not want to make.

Leadership of a caucus is always servanthood. The Leader serves the interests of the caucus members both individually and corporately. The Ackerman family just got bigger by 14 Senators.

*****New Tax Proposed –Part 4*****

Assemblyman John Laird (D-Monterey) and Senator Liz Figueroa (D-Fremont) have dreamed up yet another fee for you, the average consumer, to pay. In A.B. 1699 and S.B. 1180, they want the state to charge a fee for every fluorescent lamp you purchase. Their reason is that fluorescent lamps contain mercury, a toxic substance that should not be in landfills. The proposed fee, amount undetermined, is to supposed to better process such waste as well as to facilitate recycling and to educate consumers, but they have no real plan on how to accomplish this. I find it difficult to keep up with what is politically correct with liberals. I was just forced by the City of Sacramento to replace incandescent lights in my kitchen with fluorescent bulbs, but now these two legislators want to make those f-bulbs more expensive. My opposition to their proposals comes from knowing how similar programs established by the government work, or, more accurately, fail to work. Their proposed retail fee will be used to create a new government bureaucracy and have only marginal benefits to the environment.

*****Honoring Allies Past and Present*****

I am very pleased to hear that Assembly Concurrent Resolution 182, authored by Assemblyman Steve Samuelian, passed the Assembly Floor unanimously a couple weeks ago. The resolution creates a Hmong-American Veteran Memorial Day to honor the 12,000 Lao and Hmong-American veterans of the Vietnam War. The measure is now in the Senate.

As for present allies, they are no less courageous than the Lao and Hmong veterans. Here is an AP account of the recent performance of some soldiers from El Salvador:

“One of his friends was dead, 12 others lay wounded and the four soldiers still left standing were surrounded and out of ammunition. So Salvadoran Cpl. Samuel Toloza said a prayer, whipped out his knife and charged the Iraqi gunmen.

“In one of the only known instances of hand-to-hand combat in the Iraq conflict, Cpl. Toloza stabbed several attackers swarming around a comrade. The stunned assailants backed away momentarily, just as a relief column came to the unit's rescue.

“ ‘We never considered surrender. I was trained to fight until the end,’ said the 25-year-old corporal, one of 380 soldiers from El Salvador whose heroism is being cited just as other members of the multinational force in Iraq are facing criticism.”

TAX TIPS

*****Second Quarter Results Look Good*****

Taxable sales in California rose during the second quarter of 2003, marking the fourth consecutive increase in quarterly growth. Transactions subject to the sales and use tax totaled \$114.5 billion during the second quarter of 2003, an increase of \$3.5 billion or 3.1 percent from the second quarter of 2002.

*****A Windfall Not to Spend*****

Last month the state concluded its amnesty program for those taxpayers who had been involved in “abusive” tax shelters. The Franchise Tax Board took in \$1.2 billion, more than the \$90 million the FTB had estimated would be collected. However, before the tax-and-spenders in the capitol get too excited about this windfall, they should consider this: more that \$800 million of that money arrived with notices that the taxpayers may appeal. That means that hundreds of taxpayers do not believe that their tax returns are wrong, but since there are state and federal government audits underway to make this determination, these taxpayers have decided to pay under protest. Since it is such a gray area, the big accounting firms and tax attorneys have advised their clients to pay under the amnesty program, but some of that money will end up being refunded. And, as with any amnesty program, much of the money is simply accelerated payments (e.g., tax dollars that would come in next year if not this year), not really new revenue. Despite politicians bragging about this “windfall” of money, it is clear that the state cannot count on all of this money being available this year or every year.

*****Senior, Disabled & Blind Property Tax Postponement*****

Beginning May 15, qualifying seniors, blind and disabled homeowners may file an affidavit with the State Controller’s Office to postpone payment of part or all of the property taxes on their residence. To qualify, homeowners must complete a claim form and submit it to the State Controller's Office. If the claim is approved, certificates of eligibility are mailed to the homeowner. The homeowner must mail or take the

certificates to the county tax collector's office to postpone the property taxes due. To secure the postponed amount, a lien is recorded against the property. Interest is charged on the postponed taxes on a simple interest basis. The postponed amount and interest are not due until: (1) you move from the qualified property; (2) you sell or convey title to your home; (3) you die and do not have a spouse or other qualified individual who continues to reside in the home; or (4) future property taxes or other senior liens are allowed to become delinquent. However, you may pay all or part of the obligation before it becomes due. For more information on eligibility, the program and a claim form, visit <http://www.sco.ca.gov/col/taxinfo/ptp/index.shtml>.

ISSUE FOCUS

SPAM

Anyone reading this electronic newsletter is familiar with the concept of spam—not the meat product but junk email. (Some people reading this letter may consider it spam, but, then again, those people are probably not still reading this far into it.) A friend referred me to a site that lists all foreign, federal and state laws about junk email: <http://www.spamlaws.com/index.html>. I encourage you to peruse the site and see what the laws actually say. One of the biggest misconceptions is that any unsolicited email is prohibited, but the laws target commercial advertisements, not political or charitable communications. And as with any government program it seldom works the way the law intended.

BOE AND LEGISLATIVE DATES

May 24, 2004 --- First prepayment deadline for 2nd quarter sales and use tax accounts

May 25-26, 2004 --- BoE meeting in Sacramento

May 28, 2004 --- Last day for Assembly to pass Assembly bills and for the Senate to pass Senate bills.

May 31, 2004 --- Memorial Day

June 15, 2004 --- Budget bill must be passed by midnight

June 15, 2004 --- Quarterly due date for estimated income taxes

June 15-17, 2004 --- BoE meeting in Culver City

June 19, 2004 --- Juneteenth Celebration of the historic time that slaves in Texas received the word that President Lincoln had issued the Emancipation Proclamation on January 1st, 1865 making them free.

NOTABLE DATES/ HISTORY

May 10, 1773 --- The English Parliament passed the Tea Act, which taxed all tea in the U.S. colonies.

May 10, 1869 --- Central Pacific and Union Pacific Rail Roads met in Promontory, UT. A golden spike was driven in at the celebration of the first transcontinental railroad in the U.S.

May 11, 1792 --- Columbia River discovered & named by U.S. Captain Robert Gray

May 13, 1940 --- Churchill said, "I have nothing to offer but blood, toil, tears & sweat."

May 13, 1979 --- Shah & family sentenced to death in Teheran

May 14, 1787 --- Delegates gathered in Philadelphia to draw up U.S. constitution

May 14, 1948 --- U.S. granted Israel de facto recognition

May 14, 1949 --- Truman signed bill establishing a rocket test range at Cape Canaveral

May 15, 1869 --- National Woman Suffrage Association formed

May 15 1972 --- George Wallace was shot & left paralyzed by Arthur Bremer in Laurel MD

May 16, 1860 --- Republican convention (Chicago) selected Abraham Lincoln as nominee for the Presidency

May 16, 1927 --- Supreme Court ruled bootleggers must pay income tax

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office, call toll-free 1-888-324-2798.

HOW TO CONTACT ME

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